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BANKS FORM CONSORTIUMS, AID PRIVATE ENTERPRISE

NATIONAL BANKS LOAN 308 BILLION YUAN -- Peiping Kuang-ming Jih-pao, 3 Jul 50

During May and June 1950, national banks and private consortiums throughout China continued to render assistance to private enterprises contributing to the national economy, so that they could maintain production and continue in operation.

According to incomplete data, national banks in seven major cities had loaned, as of 23 June 1950, a total of 308 billion yuan, of which 58.44 percent went to private enterprises. Individually, the figures are 136 billion for Shanghai, 83.7 billion for Tientsin, 31.7 billion for Hankow, 22.9 billion for Peiping, 21.7 billion for Chungking, 7.9 billion for Canton, and 4.1 billion for Sian. The percentage of private loans ranged from 95 percent for Hankow, and 90 percent for Shanghai and Chungking, to 27 percent for Peiping

In addition to direct cash loans, the national banks also sponsored financial consortiums of various types, bringing together private banks to give financial assistance to industry and commerce. Most of the 800 private banking firms throughout China are participating in such consortiums. So far the ones in Shanghai, Tientsin, Peiping, Hankow, Wu-ch'ang, Chungking, Ch'eng-tu, Soochow, Nan-ch'ang, Nanking, Hangchow, and Wu-hsi have loaned a total of 60 billion yuan, of which 44.4 billion was loaned in April and May alone.

CANTON BANKS ENTER JOINT-LOAN AGREEMENT -- Hong Kong Wen-hui Pao, 14 Jul 50

Canton, 13 July -- The Canton Branch of the People's Bank, Shanghai Commercial and Savings Bank, New China Trust, Savings, and Commercial Bank, China Industrial Bank, Ho-ch'eng Bank, Chin-ch'eng (Kingcheng) Bank, Chu-hsing-ch'eng Bank, Kuo-hua Commercial Bank, and Tung-fang Hui-li Bank have formed a loan consortium.

The amount of loan capital to be made available was set at 4 billion yuan. The vice-president of the Canton Branch of the People's Bank was elected chairman of the Joint Committee, and the manager of the Shanghai Commercial and Savings Bank as vice-chairman.

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The purpose of the joint enterprise is to increase the amount of loan capital available and to direct fluid capital into industrial enterprises.

NINGPO PEOPLE'S BANK ASSISTS PRIVATE FIRMS -- Ningpo Shih-pao, 9 Jul 50

The Ningpo branch of the People's Bank has loaned a total of 900 million yuan to worthy private enterprises in the first half of 1950.

Interest rates were also adjusted downwards after prices stabilization and, on 18 April 1950, daily interest rates were eliminated altogether in favor of the prewar practice of monthly payments. Rates were adjusted 12 times in the 6-month period, from a daily rate of 18 yuan per thousand prior to 18 April down to 3-4.2 cents.

Private firms were the primary recipients of all loans, accounting for 75.7 percent. Of that percentage, 68 percent was set aside for industrial firms. Next in line were private communications and public utilities companies.

PEOPLE'S BANK SETS FUTURE GOALS -- Ningpo Shih-pao, 9 Jul 50

Peiping -- Future policies of the People's Bank of China will include the following goals:

1. Continuation of past policies aimed at attracting deposits and establishing treasuries. Already, 1,657 treasuries (chin-k'u) and 333 business treasuries (ch'i-yeh chin-k'u) have been established.
2. Adjustment of the relationship between financial agencies and private enterprises to render the necessary financial assistance to the latter.
3. Attraction of cash into the banks instead of allowing it to be hoarded by individuals.
4. Popularization of people's notes in rural areas, thus improving the circulation of domestic currency, halting the circulation of silver dollars and foreign currencies, and aiding the purchasing and marketing activities of state trade corporations.
5. Stabilization of currency exchange values, designed to encourage foreign trade and attract overseas Chinese remittances.

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